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SEALED

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, NORTHERN DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

DIGITAL LICENSING INC. (d/b/a “DEBT Box”), a Wyoming corporation; JASON R. ANDERSON, an individual; JACOB S. ANDERSON, an individual; SCHAD E. BRANNON, an individual; ROYDON B. NELSON, an individual; JAMES E. FRANKLIN, an individual; WESTERN OIL EXPLORATION COMPANY, INC., a Nevada corporation; RYAN BOWEN, an individual; IX GLOBAL, LLC, a Utah limited liability company; JOSEPH A. MARTINEZ, an individual; BENJAMIN F. DANIELS, an individual; MARK W. SCHULER, an individual; B & B INVESTMENT GROUP, LLC (d/b/a “CORE 1 CRYPTO”), a Utah limited liability company; TRAVIS A. FLAHERTY, an individual; ALTON O. PARKER, an individual; BW HOLDINGS, LLC (d/b/a the “FAIR PROJECT”), a Utah limited liability company; BRENDAN J. STANGIS, an individual; and MATTHEW D. FRITZSCHE, an individual;

Defendants,

Case: 2:23-cv-00482

Case No.: Assigned To : Stewart, Ted

Assign. Date : 07/26/2023

Description: Securities and Exchange
Commission v. Digital Licensing et al

**MOTION TO FILE CASE
UNDER COURT SEAL**

Judge:

ARCHER DRILLING, LLC, a Wyoming limited liability company; BUSINESS FUNDING SOLUTIONS, LLC, a Utah limited liability company; BLOX LENDING, LLC, a Utah limited liability company; CALMFRTZ HOLDINGS, LLC, a Utah limited liability company; CALMES & CO, INC., a Utah corporation; FLAHERTY ENTERPRISES, LLC, an Arizona limited liability company; IX VENTURES FZCO, a United Arab Emirates company; PURDY OIL, LLC, a Nebraska limited liability company; THE GOLD COLLECTIVE LLC, a Utah limited liability company; and UIU HOLDINGS, LLC, a Delaware limited liability company,

Relief Defendants.

Plaintiff, Securities and Exchange Commission (the “Commission”), pursuant to Federal Rule of Civil Procedure 5.2 and DUCivR 5-2(c), hereby respectfully requests that this entire case be filed under seal until such time as the Commission moves to have the case unsealed.

As set forth in greater detail in the Commission’s contemporaneously-filed *Ex Parte* Application for Entry of Temporary Restraining Order and Orders (1) Freezing Assets; (2) Requiring Accountings; (3) Prohibiting the Destruction of Documents; (4) Granting Expedited Discovery; (5) Repatriating Assets; and (6) Order to Show Cause re Preliminary Injunction (the “TRO Motion”), this matter involves a sprawling, ongoing fraudulent securities scheme, by which Defendants have defrauded thousands of investors of at least \$49 million. Beginning in at least March 2021, and continuing to the present, Defendants obtained investor funds through the use of an unregistered, unlawfully promoted securities offering by Defendant Digital Licensing, Inc., of so-called “node software licenses.” While Defendants have represented to investors that these “node licenses” allow investors to “mine” digital crypto assets that increase in value based

on the generation of profits from “real” underlying businesses and revenues, these statements are false: there is no such “mining” of crypto assets; the underlying businesses are a sham; and Defendants simply fabricated those businesses’ supposed revenues.

In addition, and as set forth in the Commission’s contemporaneously-filed Rule 65 Attorney Certification, Defendants are currently in the process of attempting to relocate assets and investor funds overseas, where they have contended they will be outside the reach of U.S. regulators. For example, bank records obtained by the Commission, and summarized in the declaration of the Commission’s accountant, Karaz S. Zaki, appended as Exhibit 3 to the TRO Motion, show that on June 26, 2023, Defendant iX Global, LLC—the multi-level-marketing entity through which the Defendants’ “node licenses” are primarily promoted—began closing its bank accounts in the United States, and removed over \$720,000 in putative investor funds from those accounts. Meanwhile, Defendant Digital Licensing Inc., the issuer of the “node license” securities, is in the process of moving its operations to the United Arab Emirates for the express purpose of evading the federal securities laws. In fact, in a June 14, 2023, promotional video recently posted on YouTube, Defendant Jacob Anderson touted this relocation to investors, claiming “we have moved all of [Digital Licensing Inc.’s] operations to Abu Dhabi” so as to “be under the jurisdictional control of Abu Dhabi, not the SEC.”

In order to avoid further dissipation of investor funds, the Commission thus respectfully requests that this case be filed under seal to allow the Court time to consider the Commission’s TRO Motion. Upon issuance of an order freezing assets and ancillary relief, the Commission will have the ability to serve relevant financial institutions with the relevant documents, after which the Commission expects that it will move to have the case unsealed.

Dated: July 26, 2023

Respectfully submitted,

SECURITIES AND EXCHANGE COMMISSION

/s/ Michael E. Welsh

Michael E. Welsh

Casey R. Fronk

Attorneys for Plaintiff

Securities and Exchange Commission